

## A message from Congressman Waxman:

**HENRY A. WAXMAN**

Member of Congress

Dear Friends:

President Reagan used to joke that the nine most terrifying words in the English language are, "I'm from the government and I'm here to help."

That's probably not that funny to thousands of families in New Orleans. They saw the federal government at its worst. The Federal Emergency Management Agency's (FEMA) performance was terrible and inept in every way. And Americans suffered needlessly because of it.

I don't believe the government is the enemy. I know it can be a positive force in people's lives and help create opportunity for all Americans, not just those with special connections. But I also know that recent decisions by the Bush Administration and Congress have turned successes into failures.

It's hard to believe that as recently as 2000 FEMA was regarded as one of the most effective and professional government agencies. But since then some of FEMA's most important senior positions have been given to unqualified candidates and effective policies have been eliminated. Now FEMA is a national laughingstock.

It was just five years ago that the federal government had a projected surplus of \$5.6 trillion—money that could have been used to reform health care, protect Social Security, and be a nest egg for national emergencies, like the devastated Gulf Coast.

Today a national economic policy of tax cuts and increased spending, proposed by President Bush and supported by the Republican majority leadership of the Congress, has not only eliminated the surplus, it has run up a deficit of over a trillion dollars. Even worse, the federal government now has a ten-year projected deficit of \$3.5 trillion. So instead of being able to pay back Social Security for money borrowed or make needed investments in our future, we are taking trillions from Social Security and borrowing trillions more from China, Japan, and other countries. And in order to pay for extending and expanding tax cuts for billionaires, the Administration is proposing cuts to vital programs for the Middle Class and low income Americans, such as student loans, housing subsidies, food stamps, and Medi-Cal.

We can do better. America deserves better. Please know that I will continue to work on these and other issues that matter most, including Iraq, high energy prices, and our region's overburdened traffic and infrastructure systems. And I look forward to working with you so that government works for all of us.

Sincerely,



HENRY A. WAXMAN  
Member of Congress

## Gulf Coast Contracting: The Need to Prevent Waste, Fraud and Abuse

Americans want their government to act quickly and generously to meet the needs of the hurricane victims. As Congress considers the President's post-hurricane spending proposals for the Gulf Coast, however, it is important to ensure that every taxpayer dollar is well spent. Without accountability, what we're likely to get is another round of costly, mismanaged contracts that enrich private contractors while driving the nation deeper into debt.

As the Ranking Member of the House Government Reform Committee, I have conducted a number of investigations into this Administration's handling of large federal contracts. These investigations have uncovered persistent and costly mismanagement. Over the last five years, spending on no-bid contracts has skyrocketed. Oversight of federal contracts has been turned over to private companies with blatant conflicts of interest. And when government auditors and whistle-blowers do flag abuses, they are ignored or even punished.

Two years ago, the Administration asked Congress for over \$20 billion to rebuild Iraq. Today, much of the money has been spent, but oil and electricity production remains

below prewar levels, leaving virtually nothing to show for our investment.

The contracts awarded to the largest private contractor in Iraq epitomize what went wrong. Former employees revealed that the company charged \$45 for a case of soda, billed \$100 to clean a bag of laundry, housed its staff at five-star hotels, and "torched" brand new \$85,000 trucks rather than perform minor repairs and regular maintenance. To date, government auditors have identified over \$1.4 billion in "questioned" and "unsupported" costs that the contractor tried to bill to the American taxpayer.

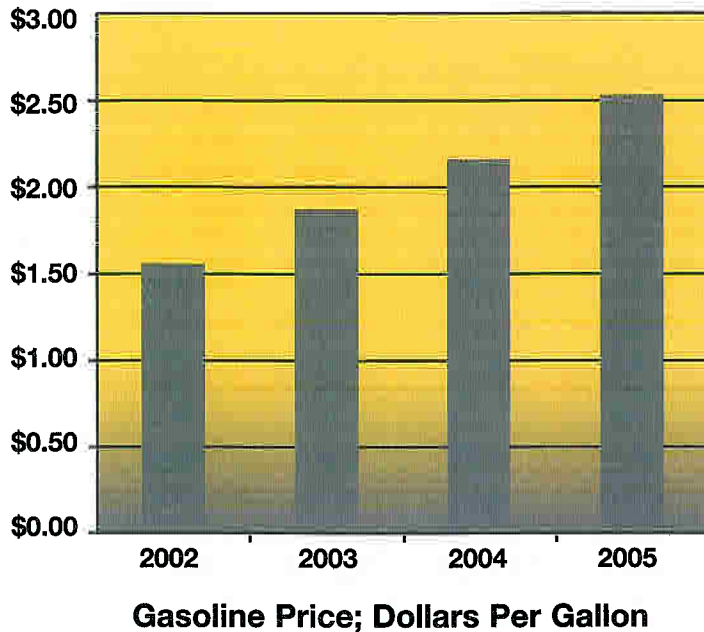
There are already warning signs that the Administration is repeating these same mistakes in the rush to rebuild the Gulf Coast. That's why I have introduced the *Hurricane Katrina Accountability and Clean Contracting Act* (H.R. 3838). This legislation would require transparency and create a panel of independent experts to guard against waste, fraud, and abuse. Unless checks and balances are restored, the rebuilding of the Gulf Coast will cost taxpayers dearly and accomplish little.



**Rep. Waxman  
dedicates  
a local post office  
in memory of  
Army Sgt. Evan Ashcraft  
of West Hills  
who died in Iraq  
on July 24, 2003.**



# Energy Policy: Windfall for the Energy Industry and Fallout for the Environment



With gasoline prices in Southern California hovering around \$3.00/gallon, many people are asking what the President and Congress are doing to help. Unfortunately, the answer is "Nothing!"

In fact, despite the implementation of most of the provisions of the President's energy policy, gasoline prices were climbing to record levels well before this summer's hurricanes. Consumers are now paying 64% more for gasoline than they were just a year ago, and more than twice as much as they were in 2000 (see chart).

Despite these policies, the Administration and its allies are now using the devastation of Hurricanes Katrina and Rita to push through even more controversial provisions and provide billions of dollars in additional taxpayer subsidies to the industry at a time when those companies are posting record profits.

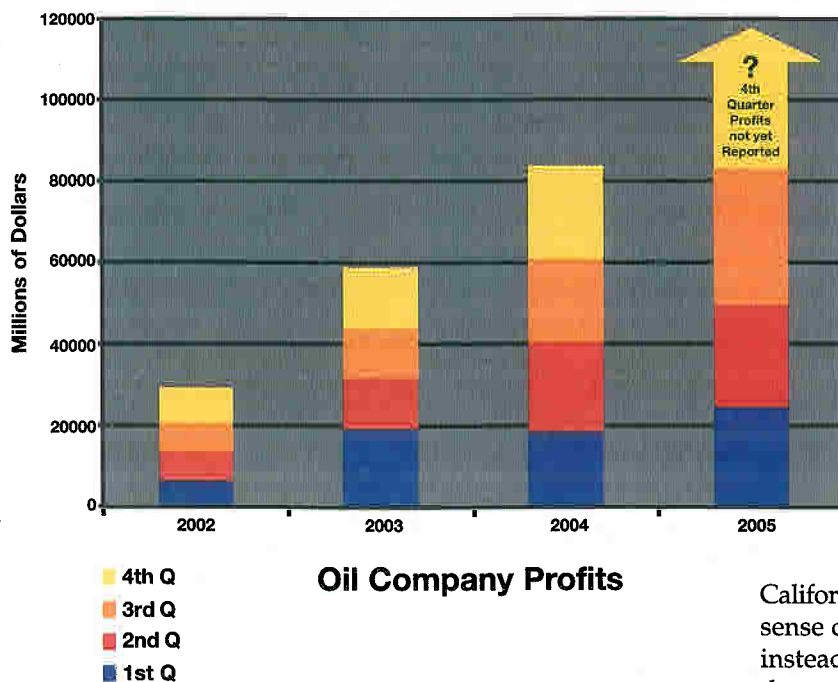
The House of Representatives recently passed the *Gasoline for America's Security Act* (H.R. 3893) by a vote of 212-210. This bill uses the human tragedy of the hurricanes and

high gas prices to enact unrelated changes in the *Clean Air Act* long sought by the oil and gas industry while taking no meaningful action to prevent price gouging.

Another provision allows the President to site oil refineries on many of our nation's most sensitive federal lands. This bill would make over 74 million acres in National Wildlife Refuges, including over 450,000 acres in California, available to big oil companies to develop refineries. State and local communities would have no say in the process.

California residents have our own experience with energy shortages and price gouging. During the energy disruptions of 2001—which we now know were artificially created by companies such as Enron, Reliant, and El Paso intentionally withholding energy supplies—

Californians greatly reduced consumption through common sense conservation and enhanced energy efficiency. Yet instead of encouraging conservation and efficiency, and decreasing reliance on foreign oil, the federal government is now rewarding the energy industry at the taxpayers' expense while turning the clock back on decades of progress in cleaning up our air.



## UPDATE: West L.A. VA and Federal Building

The 30th Congressional District is the home to both the Wilshire Boulevard federal building and the 387-acre West Los Angeles Veterans Administration property. Not surprisingly, these sites are located between two of the busiest intersections in the country. That is why I am concerned by recent Administration proposals to expand operations at the federal building and open the VA property to commercial development.

Local groups, public officials, veterans and others oppose plans to further develop these properties, and I will continue to work with each of them to ensure that the interests of the community are properly considered.

## EMERGENCY PREPAREDNESS:

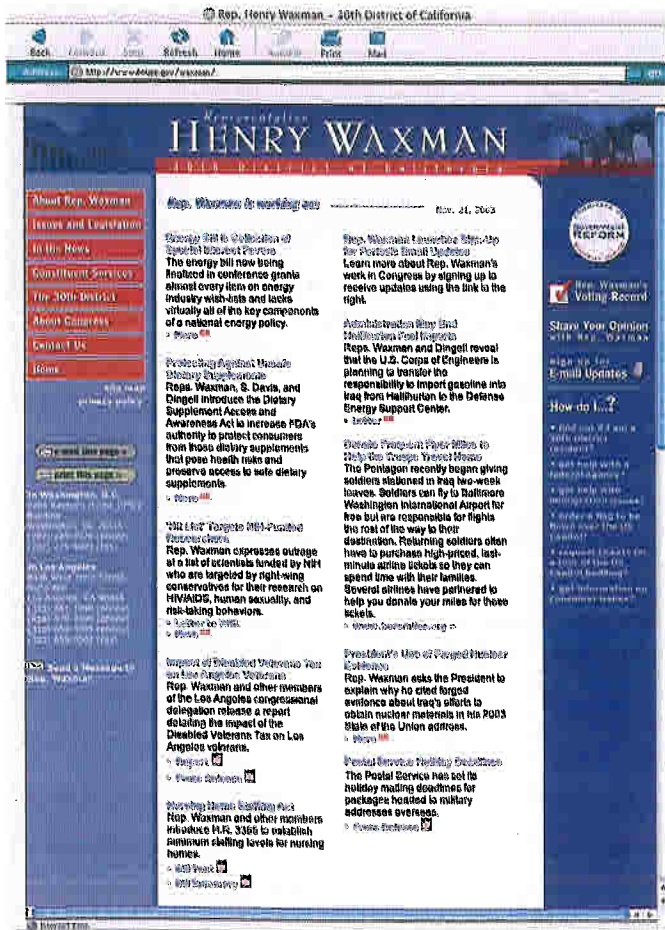
Hurricane Katrina, Hurricane Rita, and the recent earthquake in South Asia are tragic reminders that natural disasters can be deadly.

What can you do to prepare? You can start by discussing your emergency and communication plans with family members to be sure you can notify and locate each other in case of an emergency. To prepare your family for an emergency, please visit one of the following websites:

[www.redcross.org](http://www.redcross.org)

**www.ready.gov**

**www.oes.ca.gov**



Learn more at:

**www.waxman.house.gov**

Here you can find the latest news from Washington, sign up for periodic email updates on my work, get assistance with federal agencies, share your views on federal policy, or plan your next visit to our nation's capital.

You can also contact my Los Angeles office at:

**Los Angeles**  
**(323) 651-1040**

**Westside**  
**(310) 652-3095**

**San Fernando and Conejo Valleys**  
**(818) 878-7400**



# Medicare Prescription Drug Coverage: What you should know



Beginning on January 1, 2006, Medicare will offer optional prescription drug coverage (also known as Medicare Part D) through private drug plans and Medicare managed care plans. In California, eighteen insurance companies will offer a prescription drug plan. Between November 15, 2005 and May 15, 2006 you or someone you know will need to decide whether to join and pay for Medicare Part D. If you are eligible but decline to join by

May 15, 2006, but decide to join later, you will have to pay a continuing monthly penalty. It is therefore important that seniors and other eligible beneficiaries get the information they need before selecting a plan.

There is a monthly premium for those who enroll in the new Medicare prescription drug program. This premium

will vary depending on which company you select. This premium is in addition to the premium that subscribers pay for Medicare Part B services (doctor visits and outpatient services).

Each insurance company will determine its own plan provisions, so there will be differences in premiums, deductibles, and coverage. However, many plans will have a sizeable gap in coverage where no assistance will be available. You should check very carefully for this limitation in any plan you review.

**For more information, you may contact one of the following agencies:**

**Medicare:** 1-800-MEDICARE or 1-800-633-4227

**Social Security Administration:** 1-800-772-1213

**Health Insurance Counseling & Advocacy Program (HICAP):** 1-800-434-0222

## In comparing the plans, here are some things to consider:

- **If you currently do not have prescription drug coverage:** Evaluate your needs and investigate the options available to you. You will need to enroll by December 31, 2005, in order to receive coverage beginning January 1, 2006. Remember, if you decide to enroll, you must enroll no later than May 15, 2006 to ensure that you receive benefits in 2006 and to avoid significant penalties on your premiums.
- **If you have prescription drug coverage through a retiree plan:** Check with your former employer about your options before doing anything. Employers can tell you if their plan is equivalent to the Medicare plan. If you are happy with your current coverage, and it is going to continue, you do not need to enroll in a Medicare plan. If you stay with your employer plan and later decide to buy a Medicare plan, you will not have to pay any late enrollment penalty. But remember, if you opt out of your employer or union health coverage, you may not be able to rejoin it later.
- **If you are currently enrolled in a Medicare managed care plan (such as Kaiser, Health Net, Wellpoint, etc.):** Your plan should have sent you

information about your options in October. If you want to stay with your current plan, you may enroll. If you do not want to remain with that plan, you may either enroll in a different Medicare managed care plan or return to traditional Medicare and select a private drug plan.

- **If you are on Medi-Cal or have limited income:** You are probably eligible for full or partial assistance with your premiums but only if you enroll in certain lower-cost plans, known as "qualified plans." Unfortunately, the "Medicare and You" handbook had incorrect information about which plans qualify. Be sure you check each plan carefully before making your choice.

I will continue to work to create a better, less complex Medicare prescription drug program that puts seniors above the big pharmaceutical companies. In the meantime, take your time in considering these plans, check your facts, and know your options. And remember, don't give your Social Security number or bank account information to callers claiming to offer Medicare drug coverage—authorized plans should not require you to provide this information over the phone.